

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

HOBBS OCD

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

JAN 24 2014

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No. NMMN120907
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. JACKSON FEDERAL SWD 1
9. API Well No. 30-025-28242-00-X1
10. Field and Pool, or Exploratory SWD; Bell Canyon & Cherry Canyon
11. County or Parish, and State LEA COUNTY, NM

1. Type of Well: [] Oil Well [] Gas Well [x] Other: INJECTION SWD
2. Name of Operator: YATES PETROLEUM CORPORATION Contact: LAURA WATTS
3a. Address: 105 SOUTH FOURTH STREET ARTESIA, NM 88210
3b. Phone No.: 575-748-1471
4. Location of Well: Sec 26 T24S R32E NWNW 660FNL 660FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production, Water Shut-Off, etc.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent-reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

12/10-28/13 - NU BOP. Began re-entry operations at 10:30 am. Drilled cement down to tagged plug at 4,858 ft. Notified BLM. Circulated clean. Pressure test 8-5/8 inch casing (CIT) 1600 psi for 30 mins. Witnessed by Paul Flowers with BLM-Hobbs. Continued drilling thru plugs. Washed down to 6,350 ft. Lost returns, pulled up into casing and filled tanks with 8.7 lb brine. Washed down to 6,729 ft. Circulated and displace hole with 8.7 lb brine. RIH open ended to 6,729 ft. Spotted a 50 sacks Class C Neat 15.5 lb cement plug at 6,729 ft. WOC. Tagged TOC at 6,621 ft. Set 5-1/2 inch 17 lb L-80 LT&C casing at 6,621 ft, float collar at 6,577 ft., DV tool at 5,024 ft. Pumped stage 1 with 300 sacks TXI cement at 13.2. Dropped 1st plug. Displaced with 30 sacks KCL, 20 bbls fresh water, 100 bbls of 8.7 lb brine. Dropped opening bomb. Wait 25 mins. Opened DV tool at 1200 psi. Circulated for 6 hours. Pumped stage 2 with 500 sacks TXI at 12 lb. Pumped 100 sacks Poz at 14.2 lb. Dropped plug. Displaced with 117 bbls of 3 percent KCL. Circulated about 10 bbls of cement to surface. ND BOP. WOC.

SWD-1308

14. I hereby certify that the foregoing is true and correct. Electronic Submission #231943 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Hobbs Committed to AFMSS for processing by JOHNNY DICKERSON on 01/16/2014 (14JLD1104SE) Name (Printed/Typed) LAURA WATTS Title REGULATORY REPORTING TECHNICIA Signature (Electronic Submission) Date 01/13/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By: ACCEPTED JAMES A AMOS Title SUPERVISORY EPS Date 01/20/2014 Office Hobbs

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** BLM REVISED **

FOR RECORD ONLY

MW/1/28/14

JAN 28 2014

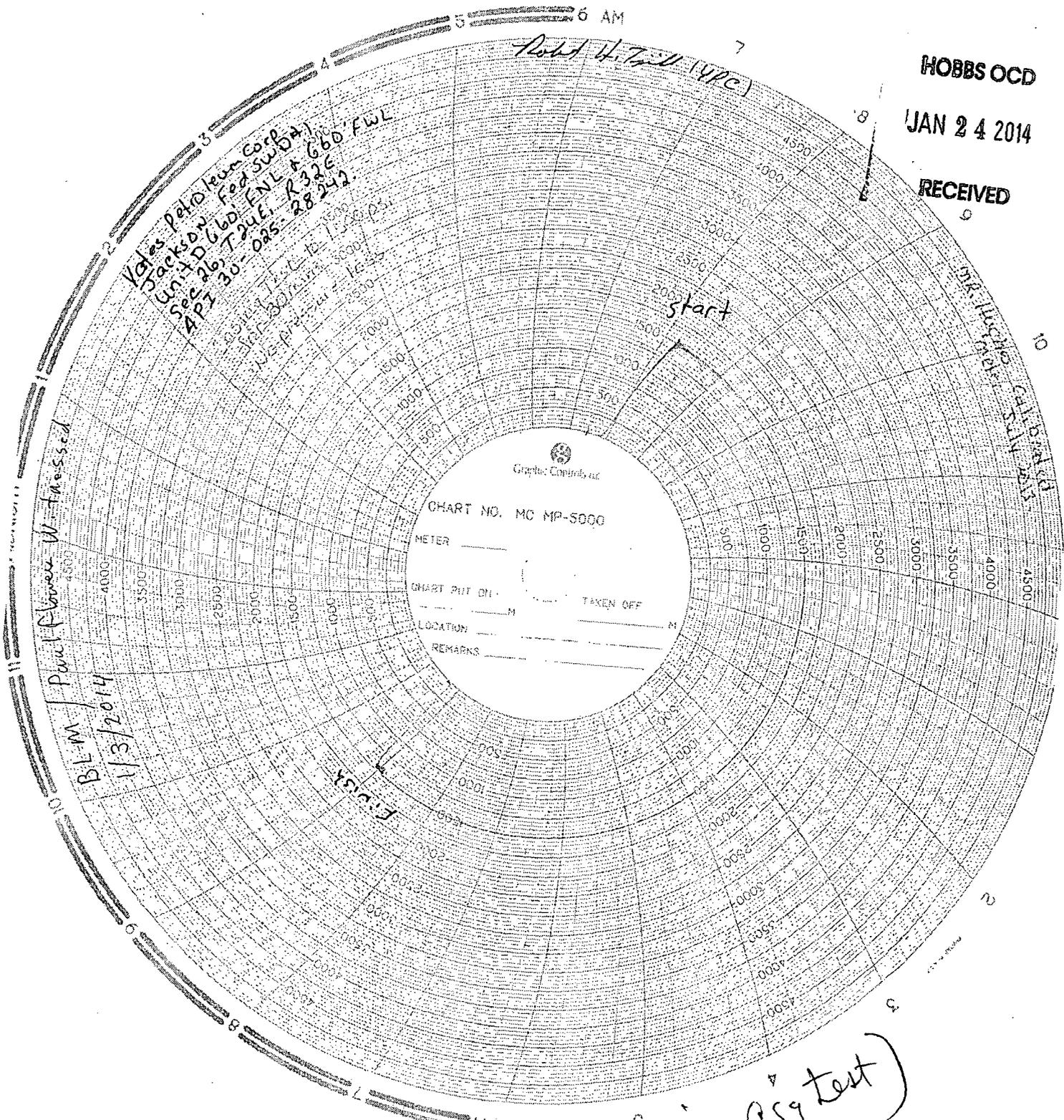
Handwritten initials and signature

Additional data for EC transaction #231943 that would not fit on the form

32. Additional remarks, continued

1/1-8/14 - Tagged cement at 5,016 ft. Drilled out cement to DV tool at 5,025 ft. Circulated clean. Tested casing to 1500 psi for 30 mins - good. Drilled out DV tool. Circulated clean. Tested casing to 1500 psi good for 30 mins on 1/3/14, witnessed by Paul Flowers with BLM-Hobbs. RIH with cement bond log to 6,560 ft. Log up to surface with 1500 psi. Perf'd Cherry Canyon 6,120 ft to 6,416 ft (50 holes). Acidized with 6500 gals 7.5 percent HCL acid iron control, slight ball action. Reverse circulate 110 bbls of 3 percent KCL with 40 gals of packer fluid. Swab tested to evaluate for presence of hydrocarbons, none present. ND BOP. Tested casing to 500 psi good for 30 mins on 1/9/14, witnessed by Paul Flowers with BLM-Hobbs. ASI nickel plated packer and 2-7/8 inch 6.5 lb L-80 tubing at 6,072 ft.

The 2 different MIT charts run are attached; emailed scanned copy to OCD-Hobbs on 1/13/14.



6 AM

Robert H. Hill (VPC)

HOBBS OCD

JAN 24 2014

RECEIVED

*Vales Petroleum Corp.
 Jackson Fed SW(DA)
 Unit D 660 FNL + 660 FWL
 Sec 26, T24E, R32E
 API 30-025-28242*

*Chart Test to 1500 Pa
 API 30-025-28242
 Valve Pressure = 1500 Pa*

Paul Climer Witnessed

*BLM
 1/3/2014*

Finish

start

*MR. HUGHES
 CHARTMAN*

CHART NO. MC MP-5000

METER _____
 CHART PUT ON _____ M TAXEN OFF _____ M
 LOCATION _____ M
 REMARKS _____

6 PM

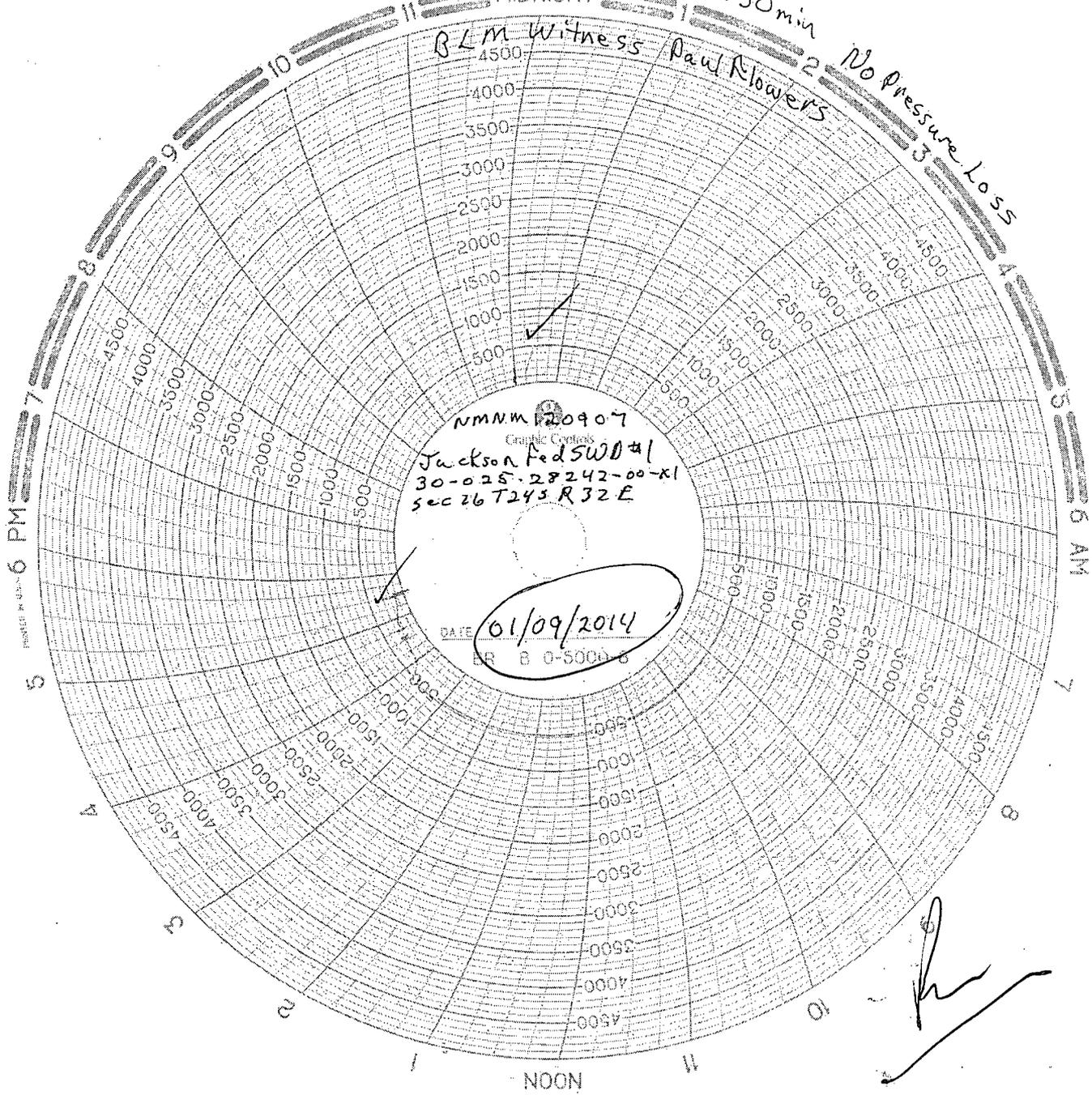
(Print Psg Test)

Casing Test 500 PSI 30 min
MIDNIGHT

BLM Witness

Paul Flowers

No Pressure Loss



NMNM 20907
 Graphic Controls
 Jackson Fed SWD #1
 30-025-28242-00-X1
 Sec 26 T245 R32 E

DATE 01/09/2014
 BR 8 0-5000-8

HOBBS OCD

JAN 24 2014

RECEIVED